

# eClosing, AI, Portfolio, and Non-QM Products; Conforming Updates

By: Rob Chrisman | Tue, Mar 15 2022, 11:33 AM

At the Ides of March, inflation is pervasive. Today rumors are swirling that Tom Brady ended his retirement because of not being able to afford to retire given the price of gasoline (more in Capital Markets section below), and I head to the home of Holiday Inn: Memphis, [Tennessee](#). (Yes, the title of the song is a little misleading; it spot-on focuses on Tennessee.)

Millions in China have re-entered COVID lockdown, once again impacting the supply chain. Russia continues to batter Ukraine, with its terrible loss of human life, impacting the worldwide price of oil and other commodities. We're watching it all happen in real time, through the use of technology.

In this country, Census Bureau construction surveys (brought to you since 1959) are being [upgraded with satellite images](#) to provide instant updates on projects at every stage of construction from start to finish down to the county and metro level for the first time. The changes will modernize nearly every aspect of the construction data the Census Bureau releases, including New Residential Construction, one of the most timely and leading official measures of the current condition of the U.S. economy. The first estimates from a new sample design were published February 17, and the local and county level estimates from the redesigned Monthly Building Permit Survey were published for the first time February 24.

## Lender and broker products & services

Last month, Freddie Mac announced the launch of its Loan Product Advisor® (LPASM) verification of income (VOI) solution, which allows the 93% of Americans paid via direct deposit to authorize lender assessment of income using direct-source bank data. The culmination of years of lender-informed development, high adoption of Freddie Mac's technology tools has been proven to deliver substantial cost savings for lenders to the tune of [\\$2,200 per loan](#). [FormFree](#) is proud to be one of the first authorized report providers for this revolutionary solution, and sees this advancement as an opportunity to make the income verification process easier, safer, and more inclusive for everyone. Drop by booth #326 at ICE Experience to learn more about how [FormFree's support of Freddie Mac's VOI initiative](#) can help streamline the underwriting process and expand access to sustainable homeownership.

Get ready for the Spring selling season with Northpointe Bank's leading-edge Expanded Portfolio (Non-QM) programs. Prime Non-Agency focuses on higher credit borrowers looking to take advantage of Non-QM features such as interest-only, 40-year terms, alternative doc options like bank statements, one year's tax returns and asset depletion, or financing for non-warrantable condos, including condotels. Expanded Access and New Start help borrowers with seasoned or recent credit events, and Investor Cash Flow offers financing for investment properties utilizing the debt-service coverage ratio. Northpointe's Expanded Portfolio programs provide the opportunity to capture volume that has been previously turned away and better serve your customers' financing needs. With programs available in all 50 states, Northpointe Bank provides tailored solutions to maximize your profitability and help your business grow. View [program details](#) for more information or email us at [correspondentsales@northpointe.com](mailto:correspondentsales@northpointe.com).

Mavericks in Motion: FGMC will be at the MBA Secondary & Capital Markets Conference & Expo from May 15-18th. Whether you're looking for a wholesale or non-delegated offering, its Non-QM product suite, Maverick Solutions has what you need! Contact [Lynn Bristow](#) to schedule a meeting at the conference.

Put your Underwriting on Autopilot. AI, specifically, Autonomous Intelligence, is the foundation of an efficient mortgage manufacturing process. Candor's Loan Engineering System is the only solution built with Autonomous Intelligence which means only Candor's solution can make real time, complex decisions with no human assist. The guaranteed flawless underwrite includes everything from income calculations, to OCR, guideline eligibility, data verification and validation, and information scrutiny – just like your very best underwriter conducts. Error free, zero bias, and the ability to double your underwriter touches and get to a conditional approval in hours, not weeks. There is no substitute, no alternative, no comparison. [Isn't it worth 30 minutes to learn more?](#)

In case you've been living under a rock, you've probably heard that Tom Brady has come out of a short-lived retirement to re-join his former teammates. Some are surprised by the move; but what's not surprising is joining an organization with the will to succeed. The winning recipe for most organizations is its' people, and Finance of America Mortgage is no different. Our winning formula combines a robust product offering with proprietary products that can help separate you from the pack, the ability to quickly pivot to a changing market and the strength of a tenured leadership group to help drive your business. Put them together and you've got a recipe to win. In today's changing

market, it's important to align yourself with a company that has your success and growth in mind. Let Finance of America Mortgage help you [put your game plan into action today!](#)

Mortgage solutions provider Maxwell was just named a 2022 HousingWire HW Tech100 Winner for its innovative solutions designed for local lenders. Over the past year, Maxwell released a series of technology-powered solutions that go beyond point-of-sale and loan fulfillment capabilities to give lenders a competitive edge. These offerings include Maxwell Diligence, providing streamlined QC/due diligence services; Maxwell Capital, a secondary market investor that expands scale and access; and Maxwell Processor Edge, processing workflow technology that reduces errors and increases processor productivity. Today, Maxwell's suite of solutions addresses the entire loan origination process, from intake of application to the secondary market. These solutions help lenders achieve scale, efficiency, and cost savings—benefits they can leverage to boost profitability. [Click here](#) to learn more about the game-changing technology that contributed to Maxwell's sixth consecutive HW Tech100 win.

Floify, a leading point-of-sale solution in the mortgage industry, recently announced its integration with Encompass® eClose through ICE Mortgage Technology™. Encompass eClose enables mortgage lenders to electronically order documents, digitally collaborate with settlement agents and partners, eSign documents with borrowers, deliver electronic notes to the MERS eRegistry, electronically record, and will soon support eNotarization. Now, by integrating this powerful solution with Floify, lenders will be able to fundamentally change the borrower's experience by providing a single, intuitive path from application to closing. Lenders who combine ICE Mortgage Technology's Encompass eClose with Floify to create a single user interface can expect to reduce their operational costs and close loans more efficiently by streamlining and digitizing manual, paper-driven workflows. To learn more about this exciting partnership, and how Floify can help drive additional efficiency gains at your organization, [schedule a demo today.](#)

### Conventional conforming updates

How much money should a residential lender have to be approved to do business with Freddie and Fannie (GSEs)? There is a [re-proposal to enhance the eligibility requirements for Enterprise Single Family Seller Services](#). "The Federal Housing Finance Agency (FHFA) has announced the re-proposal of [minimum financial eligibility requirements](#) for Fannie Mae and Freddie Mac seller/servicers. This update by the FHFA will strengthen, and provide transparency and consistency of, required capital and liquidity for seller/servicers with different business models.

A seller/servicer must meet or exceed minimum financial requirements to become an approved seller/servicer for the government-sponsored enterprises (GSEs)—Fannie Mae and Freddie Mac. The minimum financial requirements are not, by themselves, measures of adequacy. The GSEs may institute requirements beyond the minimum financial requirements for certain seller/servicers due to situations including, but not limited to, overall complexity or other evidence of heightened risk embedded in the business model or financial condition." (The FHFA is seeking input on these requirements for 60 days via email at [ServicerEligibility@fhfa.gov](mailto:ServicerEligibility@fhfa.gov), and anticipates finalizing them in the second quarter of 2022. Most of the requirements will be effective six months after they are finalized, and some will be implemented over longer periods of time.)

Fannie Mae Desktop appraisals will be offered in Desktop Underwriter® for eligible transactions starting March 19. The ["About desktop appraisals" fact sheet](#) has been updated with an expanded frequently asked questions section.

During the weekend of April 23, Fannie Mae will implement an update to DU Version 11.0. The changes, shown in [the release notes](#) will support the loan-level price adjustment credit for sale of HomePath® properties specified in Selling Guide Announcement SEL-2022-01. [View the integration impact memo](#) for additional information.

Homeowner Assistance Fund (HAF) programs are becoming available across the country with many U.S. states, territories, and tribal entities now accepting homeowner applications for assistance. Fannie Mae Servicers are expected to accept funds on behalf of borrowers from state and local government mortgage assistance fund programs. Information is available in [the Fannie Mae HAF flyer](#).

Fannie Mae published new resources, updated process requirements, and inbound and outbound specification documents in the [Master Servicing Simplification Changes page](#) to help you prepare for changes announced in Lender Letter [LL-2021-12](#).

Fannie Mae's redesigned Condo Project Manager™ [CPM™ platform](#) is up and running. Fannie Mae posted a [video](#) highlighting the improvements.

[Read this issue](#) of Fannie Mae's Quality Insider to gain insights that can help reduce risk, increase certainty, and enhance overall quality control efforts by maximizing Ask Poli® as a resource to help inform your QC process.

In [LDW\\_WNTW\\_03\\_07\\_22](#), loanDepot Wholesale provides an update on mello Broker Portal, Fannie Mae HomeReady - Texas Homestead Refinance Expansion and announces a New Loan Creation.

Due to recent market volatility [Fairway Wholesale Lending](#) is removing the pay ups for FNMA and FHLMC 2nd Home transactions.

Some overlays have been relaxed for Fannie Mae HomeStyle Renovation and FHA203(k) products as described in [Fairway Wholesale Lending Client Announcement 2022-03-08](#).

PennyMac updated Conventional LLPAs replacing Second Home Special with a new Second Home LLPA Grid effective for all Best Effort commitments taken on or after Wednesday, March 09, 2022.

### Capital markets: Fed week

There are many reasons why lenders should consider and understand duration as part of a thorough and effective hedging approach. In his recent blog post, Mike Vough, managing director for Optimal Blue, a division of Black Knight, covers the top four reasons you should incorporate the components of duration in your hedging strategy. These informative concepts address proper matching of loans and hedge, duration variance, the impact of economic incentives, and cross-hedges and liquidity. Read [Four Concepts to Consider When Refining Your Hedging Strategy](#) today to take the first step toward a more comprehensive hedging approach.

Yes, there was some sarcasm in the opening sentence, and oil futures prices are falling, but higher prices for the average American are causing shifts in spending. Sure enough, this week we expect to see the Fed raise rates for the first time since 2018 due to inflation. But yesterday started the week with a selloff in the bond market as Russia and Ukraine both reported that they have seen progress in their talks. This was on top of concerns about inflation and impending policy action by the Federal Reserve swayed investor sentiment. The big event this week will be the FOMC meeting today and tomorrow, when expectations are for the Fed to hike the Fed Funds rate by 25 basis points, and to announce that they have ended their Treasury and MBS purchase program, but will still reinvest the proceeds from maturing bonds back into the market.

Today's economic calendar is already under way with February Producer Price Index (headline +.8 percent, core +.2 percent) and March Empire State Manufacturing (plunging to -11.8). Later this morning brings Redbook same store sales and January TIC data. Day One of the two-day FOMC meeting also will occur. The Desk will purchase up to \$2.1 billion of 30-year 2.5 percent through 3.5 percent. We begin the day with Agency [MBS prices](#) better .125-.250 and the 10-year yielding 2.11 after closing yesterday at 2.14 percent.

### Jobs & new hires

Are you at a stage in your career where you produce at a high level but are looking to live the life you've always wanted outside of work? Many Veteran Originators think they need to choose between production or their personal life. Nothing could be further from the truth! One of the Top Originating teams in the nation is looking to help 1 Veteran Originator experience what it's like to produce at the same high level, while also living the personal life they've always dreamed of. Changing how you've always done something is hard, but it's time to break away from everything that has held you back. Calculating income, reading guidelines, working nights and weekends is not the life of an originator. If you close \$30M or more per year and want to stop choosing between production or personal life contact Chrisman LLC's [Anjelica Nix](#) to schedule a confidential conversation.

Angel Oak Mortgage Solutions, the leader in non-QM, is meeting the demand for significant non-QM growth this year. It recently added to its already exceptional team of Account Executives, welcoming Robert Moretti in Illinois, Stacey Norman in Michigan, Tom Perry in Texas, and Wesley Rood in inside sales. Originators can count on these mortgage experts to deliver quick and easy solutions using non-QM. As well as adding account executives, Angel Oak is continuing to look for operations staff to deliver unparalleled service to brokers and correspondents nationwide. See [JoinAngelOak.com](#) for information on how to join the leader in non-QM.

Industry veteran Nicole Brown has recently been named First Guaranty Mortgage Corporation's (NMLS #2917) SVP of National Retail Fulfillment. With over twenty years of mortgage experience and knowledge, Brown now leads FGMC's Direct-to-Consumer Operations team and supports the Distributed Retail Operations staff. She is excited to become an FGMC Mortgage Maverick and continue the momentum and growth both the company and retail channel are experiencing. And [FGMC continues to expand](#), searching for sales and ops candidates.

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